

\_\_\_\_\_ BILL NO. \_\_\_\_\_

INTRODUCED BY \_\_\_\_\_  
(Primary Sponsor)

A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING LOCAL GOVERNMENTS TO ESTABLISH CLASSIFICATIONS FOR INDIVIDUALS AND FAMILIES BASED UPON THE FEDERAL POVERTY INDEX AND TO ESTABLISH DIFFERENT RATES FOR UTILITY SERVICES BASED UPON THE CLASSIFICATIONS; AMENDING SECTIONS 7-13-141, 7-13-231, 7-13-232, 7-13-2221, 7-13-3026, 7-13-4205, AND 7-13-4305, MCA; AND PROVIDING AN EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**Section 1.** Section 7-13-141, MCA, is amended to read:

**"7-13-141. Charges for services.** (1) The board of county commissioners ~~shall have authority~~ may by ordinance or resolution to fix and establish just and equitable rates, charges, and rentals for the services and benefits directly or indirectly afforded by any sanitary or storm sewer system operated by, controlled by, and under the jurisdiction of a metropolitan sanitary and/or storm sewer district formed under this part.

(2) ~~(a) Such~~ Subject to subsection (2)(b), the rates, charges, and rentals ~~shall~~ must be as nearly as possible equitable in proportion to the services and benefits rendered and may take into consideration the quantity of sewage produced and its concentration and water pollution qualities in general and the cost of disposal of sewage and storm waters.

(b) The board of county commissioners may establish classifications for individuals and families based upon the federal poverty index and may establish different rates, charges, and rentals based upon the classifications."

**Section 2.** Section 7-13-231, MCA, is amended to read:

**"7-13-231. Authorization for charges for services.** (1) To defray the cost of maintenance and operation of a solid waste management district, the board shall establish a fee for service, with approval of the county commissioners, provided that a public hearing has been held if written protest has been made as provided in 7-13-211. An increase in fees may not be approved and implemented unless notice of the increase is given as provided in 7-13-208(1) and (2) and an opportunity for protest is allowed as provided in 7-13-209 and

1 7-13-211.

2 (2) This fee must be assessed to all units in the district that are receiving a service, for the purpose of  
3 maintenance and operation of the district. The board may establish classifications for individuals and families  
4 based upon the federal poverty index and may establish different fees based upon the classifications.

5 (3) An opportunity for protest or hearing is not required to increase fees for the purpose of paying fees  
6 collected by the department of environmental quality under 75-10-115. Notice must be provided to all units of the  
7 rate or portion of any rate that is directly attributable to the fee imposed.

8 (4) In order to aid in the determination of rates for service charges under 7-13-232, the department of  
9 revenue shall assist the board by providing the board with information pertaining to new construction, demolition,  
10 remodeling that changes the use of a building, and the location of mobile homes within the district boundaries."  
11

12 **Section 3.** Section 7-13-232, MCA, is amended to read:

13 **"7-13-232. Determination of service charge.** (1) ~~The~~ Subject to subsection (6), the board may  
14 establish, by resolution, rates for service charges, which may not be less than the actual cost of providing  
15 services. For solid waste management districts other than joint districts, the rates are subject to the approval of  
16 the county commissioners.

17 (2) Service charges may take into account:

18 (a) the character, kind, and quality of service; ~~and~~

19 (b) the cost of providing the service, including but not limited to depreciation and the payment of principal  
20 and interest on money borrowed by the district for the acquisition and improvement of facilities and equipment;  
21 and

22 (c) classifications established pursuant to subsection (6).

23 (3) (a) Service charges may be assessed per family residential unit or based on:

24 (i) the volume or weight of the waste;

25 (ii) the cost, incentives, or penalties applicable to waste management practices; or

26 (iii) any combination of these factors.

27 (b) The service charge assessed to a family residential unit in which a home-based business is operated  
28 may not exceed the service charge assessed to a family residential unit without a home-based business unless  
29 there is a finding by the solid waste management district or joint district that the family residential unit with a  
30 home-based business is generating at least 20% more waste than the average for family residential units in the

district that do not contain home-based businesses.

(4) The initial rate for any solid waste management district or joint district may not exceed the rate provided in the resolution creating the district.

(5) Fees for mobile home park accounts must be paid by the registered owner of each mobile home in the mobile home park.

(6) The board may establish classifications for individuals and families based upon the federal poverty index and may establish different rates, charges, and rentals based upon the classifications.

~~(6)(7)~~ A notice of intention to enact a resolution to increase rates must be published as provided in 7-1-4127, and the district shall hold a public hearing prior to the meeting at which the resolution is considered."

**Section 4.** Section 7-13-2221, MCA, is amended to read:

**"7-13-2221. Powers related to district finances.** (1) Any district incorporated as provided in this part may:

~~(4)~~(a) accept funds and property or other assistance, financial or otherwise, from federal, state, and other public or private sources for the purposes of aiding the construction or maintenance of water or sewer development projects;

~~(2)~~(b) cooperate and contract with the state or federal government or any department or agency of the state or federal government in furnishing assurances for and meeting local cooperation requirements of any project involving control, conservation, and use of water;

~~(3)~~(c) borrow money and incur indebtedness and issue bonds or other evidence of indebtedness and refund or retire any indebtedness or lien that may exist against the district or property of the district;

~~(4)~~(d) cause taxes to be levied in the manner provided for in part 23 and this part for the purpose of paying any obligation of the district and to accomplish the purposes of part 23 and this part in the manner provided in part 23 and this part;

~~(5)~~(e) levy special assessments against property located in the district and benefited by any of its improvements, as provided in 7-13-2280 through 7-13-2289, and pledge the collections of the special assessments in whole or in part, with any other revenue of the district, to the payment of bonds issued pursuant to part 23; and

~~(6)~~(f) subject to subsection (2), enter into covenants and agreements as to the establishment and maintenance of reasonable rates and charges for the use of its systems or improvements or any part of the

1 systems or improvements as required, in the judgment of the board of directors, for the favorable sale of bonds  
2 issued pursuant to part 23, including, without limitation, a covenant to establish and maintain rates and charges  
3 sufficient, with the collection of any special assessments, to pay debt service and operating, maintenance, and  
4 replacement costs of the system or improvement and fund necessary reserves or a covenant to establish and  
5 maintain rates and charges sufficient, with the collection of any special assessments, to pay operating and  
6 maintenance costs of the system or improvement, fund necessary reserves for the system or improvement, and  
7 pay debt service on bonds and to provide additional funds necessary for the purposes of the system or  
8 improvement or to provide assurance to the holders of bonds as to the sufficiency of the revenue.

9 (2) The board of directors may establish classifications for individuals and families based upon the  
10 federal poverty index and may establish different rates, charges, and rentals based upon the classifications."

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12 **Section 5.** Section 7-13-3026, MCA, is amended to read:

13 **"7-13-3026. Charges for services.** (1) The governing body may by ordinance or resolution establish  
14 just and equitable rates, charges, and rentals for the services and benefits directly or indirectly afforded by a  
15 system operated by, controlled by, and under the jurisdiction of a district formed under this part.

16 (2) (a) The Subject to subsection (2)(b), the rates, charges, and rentals must be as nearly as possible  
17 equitable in proportion to the services and benefits rendered and may take into consideration the quantity of water  
18 supplied, the amount of sewage produced and its concentration, water pollution qualities in general, and the cost  
19 of disposal of sewage and storm waters.

20 (b) The governing body may establish classifications for individuals and families based upon the federal  
21 poverty index and may establish different rates, charges, and rentals based upon the classifications."

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23 **Section 6.** Section 7-13-4205, MCA, is amended to read:

24 **"7-13-4205. Determination of rental charge.** (1) The total revenue to be collected from ~~all of the above~~  
25 sources described in 7-13-4203 and 7-13-4204 in a given year ~~shall~~ must be provided for by the council in ~~such~~  
26 a manner ~~as to provide that provides~~ funds for the payment of all bond issues and interest ~~thereon~~ on the bonds,  
27 as well as for all necessary expenses of the operation, maintenance, and repair of ~~any such the~~ sewer system.

28 (2) (a) For Subject to subsection (2)(b), for the purpose of making ~~such the~~ rental charges equitable,  
29 property benefited ~~thereby~~ may be classified, taking into consideration the volume and character of sewage or  
30 waste and the nature of the use made of ~~such the~~ sewage facilities.

1        (b) The council may establish classifications for individuals and families based upon the federal poverty  
2 index and may establish different rental charges based upon the classifications."

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4        **Section 7.** Section 7-13-4305, MCA, is amended to read:

5        **"7-13-4305. Consumers required to pay for services.** (1) ~~No~~ Except as provided in subsection (3),  
6 a person, firm, or corporation shall may not be permitted to use ~~said the municipal water or sewer~~ system unless  
7 they pay the full and established rate for said service.

8        (2) ~~No~~ A person may not have service reestablished after it is discontinued pursuant to 7-13-4306 unless  
9 they have paid the full amount past due, any interest or penalty on ~~such the~~ past-due amount, and any required  
10 reestablishment deposit.

11        (3) The governing body may establish classifications for individuals and families based upon the federal  
12 poverty index and may establish different rates based upon the classifications."

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14        NEW SECTION. **Section 8. Charges for electricity or natural gas.** If a county establishes an  
15 electricity or natural gas utility service, the county commissioners may establish classifications for individuals and  
16 families based upon the federal poverty index and may establish different rates based upon the classifications.

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18        NEW SECTION. **Section 9. Charges for electricity or natural gas.** If a city or town establishes an  
19 electricity or natural gas utility service, the governing body may establish classifications for individuals and  
20 families based upon the federal poverty index and may establish different rates based upon the classifications.

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22        NEW SECTION. **Section 10. Codification instruction.** (1) [Section 8] is intended to be codified as  
23 an integral part of Title 7, chapter 13, part 21, and the provisions of Title 7, chapter 13, part 21, apply to [section  
24 8].

25        (2) [Section 9] is intended to be codified as an integral part of Title 7, chapter 13, part 41, and the  
26 provisions of Title 7, chapter 13, part 41, apply to [section 9].

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28        NEW SECTION. **Section 11. Effective date.** [This act] is effective July 1, 2009.

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